

Promote financing as part of energy efficiency sales transactions

Low-cost financing for home energy upgrades does not increase customer demand for upgrades on its own. A comprehensive [evaluation](#) [1] of over 140 programs across the United States found that homeowners must be sold on the benefits of home energy upgrades before financing can become valuable to them. Programs interested in achieving high loan volume have promoted access to low-cost financing as part of a broader effort to make upgrades an attractive and worthwhile investment.

- Boulder County, Colorado's [EnergySmart program](#) [2] learned that loans are an effective tool within a larger residential energy efficiency program, but a loan program on its own is not a solution. To sell home energy upgrades to homeowners, the program realized that access to low-interest financing was not enough to entice homeowners to make upgrades. Instead, the program focuses on messages that increase the awareness of upgrades as a path to homeowner benefits, such as comfort, health and safety, and reduced energy bills. The EnergySmart program also used energy advisors who helped homeowners understand their upgrade options, choose a contractor, and learn about available financing. Between October 2010 and September 2013, EnergySmart was designed, launched, and supported the completion of upgrades in more than 4,100 homes. Over \$1.7 million in energy loans were issued by EnergySmart between August 2012 when the loan product became available and September 2013, helping 150 homes and businesses overcome cost barriers to energy efficiency investment.
- When the [Greater Cincinnati Energy Alliance](#) [3] (GCEA) began its program in 2011, there was little understanding of energy efficiency and its impact on individuals and business in the Greater Cincinnati region; therefore, community education on the value of energy efficiency was, and continues to be, a cornerstone of the GCEA's mission. The program's loan options are a tool to help facilitate home energy upgrades and are included in outreach initiatives, but selling homeowners on energy efficiency is the larger focus of the program. GCEA used a variety of outreach strategies to connect with the community, including a website with links to educational information including [financing options](#) [4]; educational sessions held at churches, schools, and libraries; a partnership with AmeriCorps in the summer of 2011 to provide door-to-door canvassing; regular business outreach and core business meetings with contractors; partnerships with local community events such as fairs and farmers markets; energy advisors who served as a resource for both homeowners and contractors; and traditional advertising (e.g., radio, newspaper, TV). GCEA aims to increase adoption of energy upgrades through marketing, education, quality customer service, and loans. In 2011, GCEA established the GC-HELP financing program to offer unsecured, fixed rate loans (6.99%, up to \$20,000 and 10 year terms) that can be used for specific home energy improvements or a whole home energy upgrade. As of September 2013, 127 residential loans (approximately 9% of home upgrade projects) had been issued, totaling more than \$1 million.

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Source URL: <https://rpsc.energy.gov/tips-for-success/promote-financing-part-energy-efficiency-sales-transactions>

Links

- [1] <http://energy.gov/eere/better-buildings-neighborhood-program/accomplishments#reports>
- [2] <http://www.energysmartyes.com/>
- [3] <http://greatercea.org/>
- [4] <http://greatercea.org/residential/gchelp-financing/>